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Keeping the money at home

David Spero

From hunter-gatherer tribes to the Amish and small-towns everywhere, members of strong communities depend on each other for physical and economic survival. But how do you build a community when all the paychecks are signed far away, when neighbors don't buy each other's products, services or labor? How do you create a working economy when all the capital is controlled by outsiders who don't want to invest in your future?

Go ahead, try it. You'll quickly learn that without capital, you can't do a damn thing. Capital means money working to create more money. But nearly always, poor people's money works for others. A study of central Brooklyn in the 1980s showed that of $629 million on deposit in local banks, only an average of $7 million was on loan within the community. Across the nation, the meager savings of low-income communities go to subsidize wealthier neighborhoods, redirected by the friendly hands of the commercial banks. As mainstream banks continually disinvest in their communities, activists find the struggle for capital key to their economic survival and development. They've learned that where you put your money is often more important than all the letters you write to politicians or protests you join. They've created ways for low-wealth neighborhoods to hang on to their money and use it for their own good. These institutions, collectively called community development financial institutions, include credit unions, community development banks, and lending circles. All of them are better places for your cash than Citibank or Bank of America.

From checks to capital

When Tim Bazemore founded the Workers Owned Sewing Co. in rural Bertie County, North Carolina, he already had at least five strikes against him. The operation was seasonal, small-scale, and cooperatively owned by mostly African-American women workers without much business experience in a rapidly shrinking industry. Banks not only wouldn't lend to Workers Owned; they wouldn't even cash their checks. Now Workers Owned has grown from 15 worker/owners to nearly 80, becoming a year-round supplier of finished retail goods.

How have Bazemore and company accomplished this minor miracle? With hard work, skill, as well as credit from the Self-Help Credit Union of North Carolina. Bazemore says Self-Help's loans and lines of credit "enabled us to do direct manufacturing." Founded in 1980, Self-Help is part of a new wave of credit unions creating economic development in low-wealth communities. It's an old idea; a group of residents (or workers) pool their savings to make loans to each other. What's new is the kinds of loans being made. While credit unions have traditionally focussed on consumer and auto loans as well as basic services like checking, Self-Help concentrates on building community wealth.

"I don't want to diminish the importance of providing financial services to low-income people," says Thad Day Moore, Self-Help's vice president, "but we have consciously decided to focus on access to commercial loans and home mortgages. When you make businesses a reality, it enriches the community. Home ownership builds net worth, because people can borrow on their homes to develop businesses."

The new approach has brought low-income credit unions back from the endangered financial species list. Hundreds of so-called community credit unions were chartered in the 60's and 70's, but the majority folded.

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Providing financial services to people with average accounts of $200 is expensive, and the required paperwork tripped up many CU managers, often inexperienced volunteers. Zealous federal regulators cut them no slack. "The National Credit Union Administration unnecessarily shut down many CUs," says Moore. "It was a reflection of the Reagan and Bush administrations' lack of concern with low-wealth communities."

The new generation credit uinon

Lately, a new generation of organizers have won charters for nearly 20 new community development credit unions. It's a formidable organizing task, according to Mark Griffith, of the Central Brooklyn Credit Union.

"We began six years ago at the Crown Heights Neighborhood Improvement Association. We got leaders from other neighborhood groups and community development corporations to sign on. Then we got volunteers and started going to block parties, churches, all kinds of community meetings, with literature and pledge forms. Over three years, we got 1,600 pledges."

The non-binding pledges give a credit union a demonstrable base of support to show the NCUA when applying for a charter. They also give organizers a basis for a business plan. NCUA evaluates the plan and decides whether to grant acharter. (Several states also charter credit unions.)

Micro-lending

Now Central Brooklyn has grown to 3,200 members with $3.7 million in assets. "We always thought we'd be successful," says Griffith. "We're growing by 200-230 members a month. We have a youth program and a micro-lending group." These lending groups, also called credit circles or loan funds, have spread around the world as a simple but effective way to create economic vitality with little capital. Credit unions, church groups, non-profit social agencies, even city governments have started them. Like a credit union, a lending circle gets people together to pool resources and make small loans for starting or developing businesses. Most lending the circles are for women. The idea started with small banks, like Women's World Finance, which operates in developing countries.

CORRECTION

In the last issue we gave General McCaffrey the wrong first name. It is Barry and not Brian.

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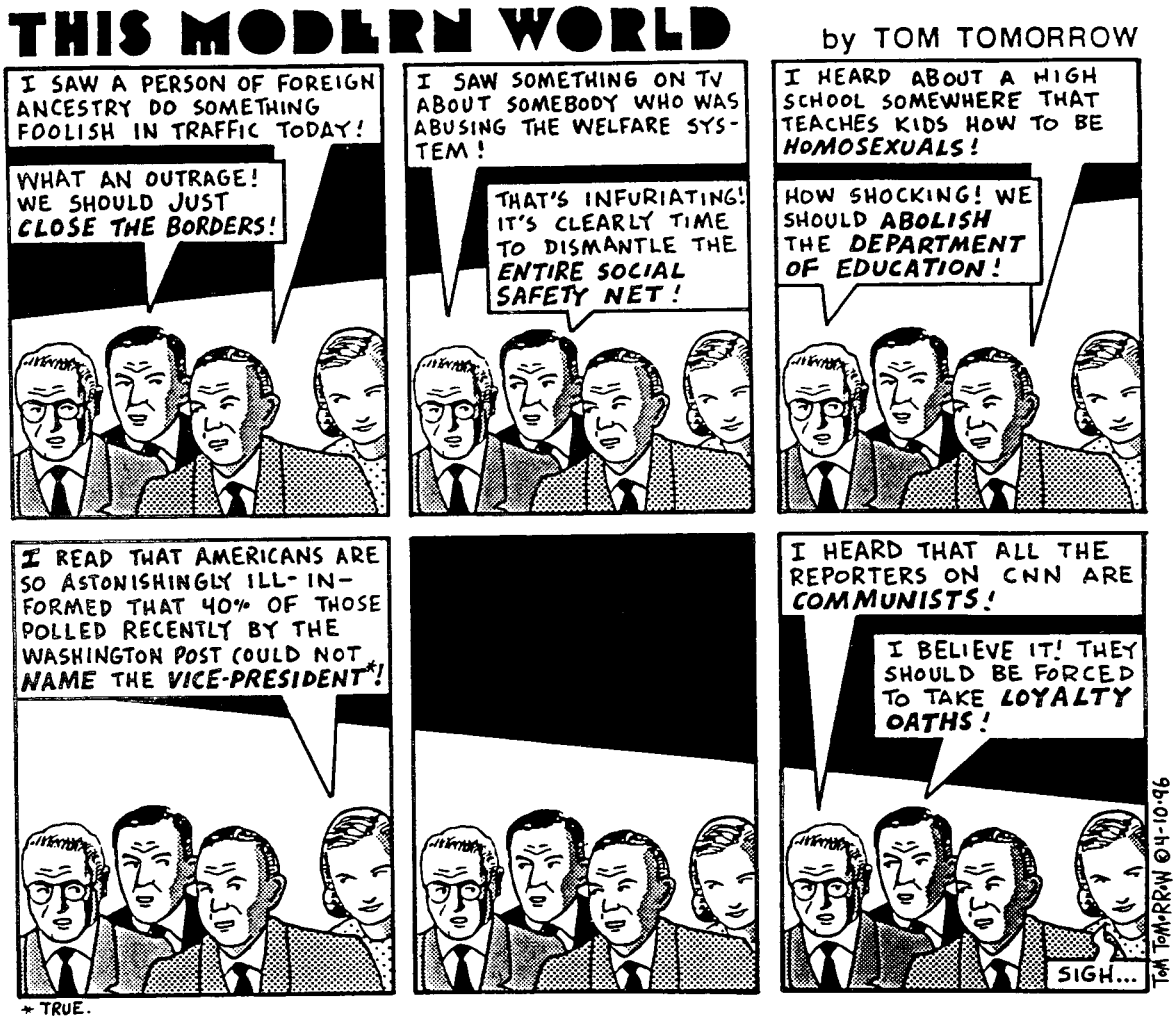
THIS MODERN WORLD
by TOM TOMORROW
I SAW A PERSON OF FOREIGN ANCESTRY DO SOMETHING FOOLISH IN TRAFFIC TODAY!
WHAT AN OUTRAGE! WE SHOULD JUST CLOSE THE BORDERS!
I SAW SOMETHING ON TV ABOUT SOMEBODY WHO WAS ABUSING THE WELFARE SYSTEM!
THAT'S INFURIATING! IT'S CLEARLY TIME TO DISMANTLE THE ENTIRE SOCIAL SAFETY NET!
I HEARD ABOUT A HIGH SCHOOL SOMEWHERE THAT TEACHES KIDS HOW TO BE HOMOSEXUALS!
HOW SHOCKING! WE SHOULD ABOLISH THE DEPARTMENT OF EDUCATION!
I READ THAT AMERICANS ARE SO ASTONISHINGLY ILL-INFORMED THAT 40% OF THOSE POLLED RECENTLY BY THE WASHINGTON POST COULD NOT NAME THE VICE-PRESIDENT*!
* TRUE.
I HEARD THAT ALL THE REPORTERS ON CNN ARE COMMUNISTS!
I BELIEVE IT! THEY SHOULD BE FORCED TO TAKE LOYALTY OATHS!
SIGH...
TOM TOMORROW ©4-10-96

Frequently the fund's money is augmented by donations from a sponsoring agency. Normally, low-income start-ups would have small chance of success, but the lending circles function as support groups and coaches, making sure the fledgling entrepreneur succeeds and repays her loan. The support can be as helpful as the credit, says Lynn Eisner, member of a credit circle in Manitoba, Canada. "This gives us a chance to build up our self-confidence," she says. "You feel you won't fail because we are holding one another up. Money is only part of the concept."

The marriage of community development credit unions with micro-lending organizations creates something very close to a full-service bank. The former have the ability to pursue development paths no commercial bank will touch, but government regulators feel credit unions lack the expertise to make business loans, and regulations restrict their ability to do so.

"The NCUA isn't wild about business loans," says Linda Levy, of the National Federation of CDCUs. "They consider them very risky." This fear, however, is more politically motivated than statistically supported. The default rate at credit unions such as Self-Help hovers around one per cent.

"We don't look at numbers alone," says Raquel Castillo, Director of San Francisco's Mission Area Federal Credit Union. "We look at people. As a result, we get fantastic loyalty" from borrowers.

People's banks

Because of the legal limits the government places on credit union business lending, sometimes you need a full-fledged community bank. To develop large rental housing or commercial projects, only a bank has the necessary access to capital and regulatory freedom. But mainstream banks usually can't be bothered with low-wealth neighborhoods, so activists have created the community development bank. Five such banks have opened and more are in process. Banks can solicit investments from inside and outside their community, leverage them with deposits, and create a substantial pool of capital for the neighborhood. The best-known CDB is South Shore Bank

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The British parliament has passed legislation that would allow the police to stop, frisk and search anyone in any area they designate without having grounds for suspicion. Anyone refusing such a search could be arrested, and jailed or fined. A milder law has already resulted in the search of 21,000 people and vehicles -- with only two resultant arrests. It's only a matter of time before some American legislator suggests we follow suit.

in Chicago. South Shore has loaned $450 million with a loan loss rate of less than one percent. It backs everything from housing to streetcorner food vendors. Other CDBs have similar success records. "There's a market out there, and it's not being filled by the major banks," say Cecil Adams, President of Community Bank of the Bay in Oakland, CA. "Few of the majors even have branches in our communities." Setting up branches is itself a vital, though secondary service of these community institutions. Businesses need a bank for basic things like change and a safe place to take receipts.

But some activists note that small-scale banks and CUs can't meet all the needs of low-wealth communities, and that we shouldn't let the big banks off the hook. "The big banks are taking money out of our neighborhood, and we have to force them to put some back, not close all their branches" says Tom Regan of St. Louis's ACORN. "The fight against red-lining is still crucial."

Finding money

Community development credit unions can legally accept non-member deposits to get additional capital. Start-up credit unions and community development banks can get capital from the national federation, churches, foundations, and even commercial banks, which get credit for their investment under the Community Reinvestment Act. The CRA requires banks to invest a certain amount of money in the communities from which they draw deposits. In practice, specifics are vague and enforcement weak, but the CRA is still the best tool activists have to fight red-lining and get support for commnity-based financing. Adams' Community Bank of the Bay, for example, has gotten investments from a half dozen commercial banks, including Union Banks and Wells Fargo, largely because of CRA pressure. The community institutions need such capital injections, and they also need middle-income people in their own community as investors. "You need a mix of income levels, people with less borrowing from people with more," says Levy. If all accounts contain an average of only $500, for example, it's difficult to make big enough loans to start businesses and develop property.

Government, along with churches and nonprofits, can also help capitalize community based financing. After the Los Angeles riots, the feds started to look more kindly at community development. President Clinton promised to fund a network of community development banks. Congress appropriated $500 million for start-up and matching capital, but the Newt Congress took much of it back. Now the Republicans are on the attack against the CRA as a violation of free enterprise, since it makes banks invest where they don't want to.

Question of the month: why do all moral values have to go into families and TV? Can't we save a few for public policy and budgets?

Helping out

Without CRA, community financial instutions would find much tougher going. You can help by contacting congresspeople and advocating expansion of CRA and more support for CDFIs. More directly, you can put your money in them and encourage others, such as your union or company's pension fund, to do the same. CU accounts are insured up to $100,000 by the federal government, and the return generally compares favorably with savings bank accounts. Community development financial institutions can take out-of-state deposits, so if you don't live in a low-wealth community, you can invest in somebody else's. It helps and, unlike charity, you even get the money back with interest while cutting into the power of big capital.

For more information, contact:

✓ *National Federation of Community Development Credit Unions, 120 Wall Street, 10th Flr, New York, NY 10005-3902, 212-8091850, They have an extensive list of CDCUs.*

✓ *Central Brooklyn Credit Union, 1205 Fulton St., Brooklyn,NY 11216, Ph. 718-399-1763 Self-Help Credit Union P.O. Box, 3619, Durham, NC 27702-3619, 1-800-959-7633*

✓ *Community Bank of the Bay 492 9th Street, #260, Oakland, CA 94607, 510-271-8400.*

✓ *Greenlining Institute 785 Market Street,San Francisco, CA 94102, 415-284-7200 ,*

✓ *Center for Neighborhood Technology, 2125 W. North Ave., Chicago, IL 60647*

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Politics without vision

The Reverend Graylan Scott Ellis-Hagler

More than 40,000 workers are laid off at AT&T even as the company turns a profit and its stock rises.

Large mergers consolidate banking power and cause more layoffs. The stock market continues to close at an all-time high. Republicans and Democrats become rhetorically deadlocked over a balanced budget and the federal government is shut down, idling workers and productivity.

Corporations take jobs southward seeking lower pay scales and less overhead. Manufacturing operations move overseas to exploit cheaper labor, escape domestic regulations and realize higher profits. Areas of the country with a higher standard of living lose jobs to areas with a lower one. Areas with a lower standard of living lose employment to markets overseas.

Approximately 3 million people in the United States are reorganized out of their jobs. Workers work more hours for less pay. The average annual hours worked in 1973 were 1,660 with an average weekly gross pay of $310. In 1992, men and women received on average $50 less pay for working 100 hours more.

The days are gone where one stays at a single company for life; the average worker will change jobs nearly ten times in a lifetime. There are 7.5 million people officially unemployed -- but another 1.6 million people have stopped looking for work, 4.4 million part-time employees seek full-time work but cannot find it, and 7.8 million people hold more than one job in order to survive.

Unions speak of increasing membership but it is an impossible task, since daily there are fewer union jobs and a smaller base to organize. Scattered across America are factories rusting and deserted. Textile mills are turned into shopping malls, but the prices in them do not reflect lower costs corporations have found overseas or in cheaper domestic markets.

States are privatizing penal facilities, allowing corporations to take over and create for-profit enterprises with inmate labor -- a new slave economy. More than one million people are incarcerated in United States jails and prisons; the streets are laden and the shelters full of those whose labor is no longer needed. Drugs flow through low-income communities, creating an underground economy and medicating those whom society no longer can use. Mandatory sentencing as well as class and racially biased laws encourage states to turn to private enterprise to alleviate the resulting penal population explosion.

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Entertainment Tonight, Ricki Lake, Gordon, Tempest, and the *Dionne Warwick Psychic Friends Network* make it easier to fantasize over a celebrity's lifestyle and wealth (which you hope to realize) than to worry about your own plight. Plausible deniability is not just a tool of politicians, but survival mechanisms for the public as well. We have made it plausible to deny that our problems are a direct result of greed inherent in unrestrained capitalism. Our economic problems have been attributed to big government, out of control social program spending, affirmative action and liberal policy, rather than to a political structure that is built upon corporate accommodation and on capital growth taking priority over the interest of its citizens and their stable futures.

The political discussion, whether from the right or left, features cuts in medicaid and medicare, capital gains and earned income tax credit. We were told that NAFTA would create a robust economy and GATT was needed in order to compete. We got tough on illegal immigrants "who took our jobs", and criminals who threatened and disrupted our lives. The attacks raged against affirmative action and racially inclusive congressional districts. The central debate in the country has become taxes, balanced budgets, and reduction in the debt. Every answer to every question allows those who have wealth to keep more of it. Those who live on the margins are promised that if you allow those with money to keep more, you can have some too. Dream on!

Seemingly, the only movement currently taking place on the American political landscape centers around money and profits and not better use and investment of our resources. Greed, class, and race prevent us from addressing real problems or discovering substantive answers. Nowhere in the political debate -- or rising on the horizon -- is a discussion of housing, altering educational systems so that more will have access to training, or broad proposals to bring jobs home and keep factories open. Instead the public has been baited into

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emotionally, racially, and class charged discussions. This plausible deniability strategy has worked -- causing people to point fingers and create simple theoretical solutions to complex problems, rather than causing mass hysteria and uprisings, a natural response to the country's current economic predicament.

Registering without results

In the last mid-term elections, Reverend Jesse Jackson said that the Republican victory was not a result of their landslide, but of "our walls being too low", meaning that not enough affected people voted in these elections. Those who should have been inclined to vote against the Republican radicals did not go to the polls in large enough numbers, and many economically hurt by the policies of the era still voted for militant disciples of Reagan and Bush. Those who identify themselves as liberals, progressives, and on the left increasingly lost control over the political agenda and the occupants of elected office.

Every election season there is a new call to register voters. The call this year is to turn back the Republican revolution and defeat the Gingrich forces. Every civil rights organization has declared a new voter registration campaign. The AFL-CIO, under its new leadership, has dedicated millions of dollars to getting people registered. Through motor voter, welfare office and other registration gimmicks, people will sign up but come election day may not turn up in large enough numbers.

> The central debate in the country has become taxes, balanced budgets, and reduction in the debt. Every answer to every question allows those who have wealth to keep more of it.

The theory is that if more people are registered, conservative policymakers will face doom come election day. But if this were the case, all those people reorganized out of jobs during the Reagan-Bush would have responded accordingly. They did not. Instead, there came a cynicism of big government, social policies and liberal political formulas. John and Jane Doe felt that they were not adequately represented. John and Jane Doe perceived that they were being called on to bear tremendous economic suffering with few politicians seeming to understand or articulate their woes and fears except for conservatives and their phrase framers.

The cost of no vision

There is a chasm between the population and government not being addressed in a healthy or constructive manner. In this climate of economic and class fear, the vision of a stronger America has to contain more than "turn the Gingrich forces around", or "smaller government and less taxes". Neither slogan adequately speaks to the issues felt in our families or at work. Each political camp has failed to excite voters and fuel greater participation at the polls. Fewer people, as a result, are making decisions that affect the whole country.

In the last mid-term elections 66% of those eligible to vote registered but a mere 39% of those voted. Though voter registration added 8.6 million people to national voting rolls from 1990 to 1994, participation remained stagnant, the 1994 percentage of eligible participation being just three points above that of 1990. Working backwards, you have to turn to the mid-term elections in 1970 in order to see percentages approaching the 50% level.

The higher-turnout presidential years are equally disturbing. The percentage of participation is stagnant at an average of 55%. Only in 1964 and 1968 did particpation top 60%, and then just barely.

This stagnation is due to a lack of clear political vision. The only issues placed before people are those without risk, designed to alleviate public fears, or to get someone elected rather than solve problems. Neither the right or left has offered the public a true vision of what America could and should be. The political right holds out as its solution "states' rights," less regulation, more ability to compete for corporations, less government and less taxes. The political left speaks of strengthened but benevolent federal government, greater social programs, and an anti-corporate spirit, as in, "people not profits".

But the answer to our issues lie far beyond these equations. We have been employing this same rhetoric throughout the years. The effect has been more polarization of the races and classes, yet no apparent progress toward solving the issues facing the American worker. The political right has invoked as its politically correct god, wealth and the ability to amass it. Its emphasis has been on corporate freedoms to compete in a world economy and not on the worker who must live in spite of a world economy. The conservative perspective holds out hope of making money and keeping more of it when you do. What it does not mention is that everyone will not be qualified or needed in an expanding technological age. Further, with corporate movement overseas, many will find themselves left without a chair when the music stops.

The political left has repudiated wealth and those who seek to amass it. But whether we take a voluntarily vow of poverty or pleasure in conspicuous consumption, the problems remain for the masses of people. Will I receive a pink slip in the mail or over e-mail? Will I be downsized, reorganized, or made obsolete? Will real employment opportunity continue to

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shrink and crime remain a pressing fear? Am I better off and more economically secure than my children will be? The answer to most of these questions is yes, because a fresh radical idea is not available for the political debate and public engagement. There are litmus tests but neither right or the left -- including Robert Dole, Malcolm Forbes, Jr., Ralph Reed, Ralph Nader, Pat Buchanana, Jesse Jackson and John Sweeney -- offer any vision leading to greater passion, enthusiasm or stability. Therefore, electoral participation will continue to remain stagnant if it does not decrease.

Milk and honey

A vision on the par with Moses' "land flowing with milk and honey" is what is required. It must be a vision forged with opportunity for the American worker, a vision where stability in the work place is realized. Such a vision should allow foreign and domestic corporations access to the American marketplace only when a significant percentage of American workers are used in their manufacture, marketing and distribution.

We still possess a market that is able to make or break many corporations. We have the ability to demand where and how business is done and to keep opportunity available for our workers. But, we have not done so.

If either the political left or right is to spark any enthusiasm, it cannot be without a vision of keeping and growing jobs -- at home. Such a vision must bring back those corporations that have already gone to cheaper overseas markets. It must make the corporate world accountable to the average everyday worker.

Another part of this vision must incorporate education. We must include -- without regard for cost -- those who have the aptitude and attitude to compete in the educational arena. Our focus should be on achievement. A poor child that exemplifies creativity and genius should have as much educational opportunity, if not more, than a rich child with poor aptitude but connections. The vision needs to address those who are good with their hands as well as those gifted with their minds.

We must dare to demand from our economic systems the ability of everyone who seeks to work the right to work. Also, a vision can not be absent of the ability to own land and other property. Mortgage programs must -- such as the case with the Boston-based Neighborhood Assistance Corporation of America -- be made available to average working people with 100% financing and zero closing costs, absent application fees, points and private mortgage insurance. Basically, such a policy should be the rule and not the exception.

If there is a vision that speaks to these times, it must articulate clear proposals that will put people back to work and advance the American dream of education, jobs, and prosperity. All sides of the political spectrum have set their sights too low and insulted the electorate with easy answers to hard problems. As people stumble in the dark only clear daring voices can bring the light. The American electoral process is currently faltering and will fail without a new vision and new voices to articulate that vision.

The Reverend Graylan Scott Ellis-Hagler is minister of the Plymouth Congregational United Church of Christ in Washington DC. He is also national development director of the Neighborhood Assistance Corporation of America.

Weather Report

The bishop of the Web

A French bishop who got into trouble with the Pope for his views on various matters was transferred to the see of Partenia. Bishop Jacques Gaillot couldn't find Partenia on his map of France. Turns out the reason was that it was in Algeria -- actually a titular see in a spot that was important in the 4th through 6th century, but now just more Saharan sand. The bishop decided to turn his titular see into a virtual one and so now the Diocese of Partenia can now be found at *http://www.partenia.fr* on the Web. The bishop is getting about fifty letters a day from all over the world, nearly all of them congratulatory. A third come from France and almost a quarter from the US. Said one: "How wonderful to find water flowing from the desert!" Another: "We are definitely unbelievers, but we are with you wholeheartedly."

Land of the Free

☞ The Navy and the Coast Guard are continuing to cover up the dumping of radioactive material from decommissioned nuclear subs into the Puget Sound. A group called SEARCH has discoverer traces of radioactive material in shellfish and other marine life at levels 50 times that permitted by government safety standards. About a year and a half ago, the Navy and the Coast Guard even arrested the scientist involved in the study for trespassing on "military property." The Coast Guard had seized the vessel carrying the scientist and towed it into restricted waters. A federal judge pointed out to the Coast Guard that Puget Sound was not "military property." Then last June the CG issued an emergency rule aimed solely at preventing further sampling of the bay and threatening to

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arrest the whistleblower again. The Government Accountability Project is representing the scientist.

☞ Vincent Schiraldi, writing for Pacific News Service, reports that youth curfews are simply not having the effect their advocates claim. In Detroit, for example, a curfew law was followed by a near doubling of the homicide rate. In Oakland, officials rejected a curfew after studying the effect of such laws. What they found was that 80% of juvenile crime in Oakland occurs between nine am and ten pm -- times generally outside curfew limits. New Orleans claims a 27% drop in juvenile crime following a youth curfew, but during that same period, the city also tripled the number of recreation centers and provided 1300 youth jobs. A study also found that black youths in the city were being arrested for curfew violations at a rate 19 times that of white youths. Meanwhile New Orleans became the city with the highest murder rate.

☞ Arizona has dumped its criminal boot camp as a cost-saving measure -- one of the first of the justice gimmicks that soon became a favorite of the media and politicians like Bill Clinton. It was found that less than a quarter of those admitted had successfully completed the program and were not subsequently re-arrested. This was about half the success rate of traditional jails.

☞ So bad is the cyberporn legislation now under extensive litigation that it would not permit publication on the Internet of some of the country's most important court decisions on pornography.

☞ It's not just the feds who are attempting to censor the Internet. Various state laws now prohibit things like "indecent comments" on-line and have been used to harass owners of bulletin board systems, according to a recent issue of *Wired*.

☞ President Clinton has exempted the top-secret and highly mysterious Groom Lake NV Area 51 facility from any environmental laws that might make it necessary for the feds to disclose what the hell is going on out there. The exemption comes in the wake of a law suit by workers harmed by toxic fumes at Groom Lake during the 1980s. Says the workers' lawyer, GW University law prof Jonathan Turley, "The government claims that revealing any information about Area 51 would jeopardize American lives. The only American lives lost so far are those of their own workers."

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Just politics

☞ The populist Alliance reports 26 local chapters created in its first four months of existence.

☞ Ralph Nader pulled 8% in a national presidential poll.

☞ Green Hank Chapot, who is running for a California assembly district, was told by the secretary of state that his chosen ballot occupation of "master gardener" had been rejected. Apparently the official thought "master" was an opinion rather than a occupational title. Chapot had to make do with his second choice: "horticultural assets manager."

Loose change

Richard Grossman of the Program on Corporations, Law & Democracy is reaching out to conservative populists on the issue of the corporate destruction of jobs, environment and democracy. POCLAD has been working, for example, with the 2nd Maine Militia. Says novelist Carolyn Chute, a founder of the "Wicked Good Militia," "The corporations are on top and working people are on the bottom. Our goal is to put the people on top where they should be in a democracy."

Final Days II

The publication of *Blood Sport* has allowed the Washington establishment to begin the convoluted and disingenuous business of extricating itself from the Clintons. What is new about the book is not its contents but the response of the powerful -- who for the first time are starting to admit that something might have been slightly amiss in Arkansas. The book's sociological function is that of a plea bargain -- sort of like going for insansity in a mass murder case. Behind all the backing and filling is a strong desire by the elite to limit the damage done by having spent a number of years sucking up to the Clintons. The way this disentanglement is traditionally done is by rhetorically turning crimes into mismanagement, greed into bad judgment, cover-ups into sloppiness and lies into failures of communications. The tip-off is when columnists start shaking their head sadly and declaring, much as the *Washington Post*'s Richard Cohen did on March 19, that "Whitewater is not a scandal, but, in human costs, something even worse: a tragedy." Calling it all a tragedy means never having to say you're sorry.

Cohen, like other mainstream journalists, continues to overlook a few matters such as:

☞ A large, illegal and unconstitutional Contra arms-running operation conducted out of Mena Arkansas that then Governor Clinton at the very least refused to investigate.

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Rampant self-promotion

The *Review* has been named a finalist for an Alternative Press Award -- in the category of coverage of emerging issues. This is the fifth time in the eight years of the awards that *TPR* has been either a finalist or a winner. The awards are sponsored by *Utne Reader*.

☞ The use of Arkansas as a major drug importation center during the years that Clinton was governor and his rampant indifference about it.

☞ The probable use of Arkansas financial institutions, both public and private, to launder large amounts of drug money -- including the state finance agency Clinton set up as a piggy bank for his friends and supporters.

☞ Futures market profits by Ms. Clinton insupportable by any personal skill or the law of probabilities.

☞ Alleged pressure by Bill Clinton to secure for a business partner a major SBA loan to which she was not entitled.

☞ Possible significant and repeated tax evasion, particularly the failure to report gains achieved through the forgiveness of loans.

☞ The complicity of the CIA in bringing large amounts of drugs into this country.

☞ Repeated obstruction of the inquiry into the death of Vincent Foster and other Whitewater matters.

☞ Possible witness tampering in the McDougal-Tucker trial

☞ Cover-up by investigators in the Foster case.

☞ Probable bribery in various forms including forgiveness of loans and grants of equity without payment.

☞ And, of course, the various other shady real estate and bank transactions that gave this scandal its name.

This is a conservative and incomplete list of elements of what is looking more and more like the biggest political corruption scandal in modern American history and the biggest fall the American media has ever taken. It doesn't include more speculative matters such as unexplained murders, Swiss bank accounts and what the White House was doing in the ninety minutes it knew Vince Foster was dead but pretends it didn't.

Mission creep (cont'd)

✓The Pentagon's low intensity warfare and psychological operations certainly keep the Special Operations Forces busy. According to a recent report in the *Tampa Tribune*, the Special Operations Forces -- comprised of 46,000 personnel from all three services -- averaged 280 missions a week last year in 137 countries. No wonder the Pentagon budget is so large. We've never had 137 enemies at the same time before.

✓The Pentagon's manual on "domestic support operations" gives a chilling view of how the military sees its role in a post-Cold War America. Says the manual: "Today, along with a shift from a forward deployed to a force projection strategy, is a new awareness of the benefits of military assistance to improve the nation's physical and social infrastructure." The role the military sees for itself is extraordinarily broad including disaster assistance, environmental missions, law enforcement, and community assistance. In a section that could well have been lifted from a guide to Vietnamese village pacification, the Army notes that "domestic support operations provide excellent opportunities for soldiers to interface with the civilian community and demonstrate traditional Army values such as teamwork, success-oriented attitude, and patriotism. These demonstrations provide positive examples of values that can benefit the community and also promote a favorable view of the army to the civilian population."

Of course, one of the problems the Army admits may come up as it tries to introduce teamwork, success orientation and patriotism into civilian American culture is the matter of legitimacy. The manual addresses this question straight on:

> Legitimacy derives from the perception that using military force is a legal, effective and appropriate means of exercising authority for reasonable purposes. However the issue of legitimacy demands caution and critical judgment. The Army must be aware of the legitimate interest. prerogatives and authority of the various levels of civil government and act accordingly.

✓General Barry McCaffrey, the former head of SOUTHCOM who is now drug czar, testified before Congress last year that "we have been structuring SOUTHCOM so we can remain engaged with the Americas throughout the next century." Speaking before the Senate Arms Services Committee in February 1995, McCaffrey also gave this dour view of the drug war:

> A multi-year effort involving substantial resources, and enormous energy and creativity by supporting US government agencies and regional governments has not had the effect we desired. Coca growing and the subsequent production and trafficking of coca derivatives for the US and world markets have not diminished. . . . Street price

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Personal to those journalists (and others) who took the editor's bet that Clinton would bow out of the '96 race: don't count your *petti di pollo con zucchine e peperoni rossi* quite yet. Consider, for example, the strange wire story March 6 describing White House press secretary Mike McCurry's response to the question of when the president was going to announce for reelection. McCurry told reporters: "I asked him that last night and he acted very bothered by the question and went back to signing some books he was signing."

and availability of cocaine in the United States have not been demonstrably affected by the US interagency involvement (to include DOD's) in the counter drug effort. As long as there is a domestic demand, some entrepreneur will find a way to meet it. The US demand for cocaine is steady and profits to be made are stupendous. The price of a kilo of cocaine on the streets in the United States is about two hundred times greater than the price of the coca leaves required to make a kilo of cocaine. . . .Much more has to be done before campesinos, traffickers, and the others involved in this business can be forced by reward and punishment into other economic activity.

✓The military's involvement in the war at home is no more efficient. For example, NORMAL reports that in 1994 the Georgia National Guard flew 24,000 flight crew hours in missions over the whole state, resulting in a total haul of 6000 stalks of marijuana. The taxpayer cost of this pot hunting was $12 million. Nationally the Guard has been blowing about $250 million annually on marijuana eradication with less than ten percent of the country's pot crop being destroyed in the process.

✓The National Guard isn't just looking for pot fields, either. According to a Jan 14 story in the Ogdensburg NY *Journal*, Guard helicopters are using heat sensors to spy on people's houses: "When a helicopter flies over a house and points sensors at a particular residents, investigators can tell how many people are in the residence and if there is an unusual heat source or light that shouldn't be there." The paper doesn't explain which heat sources and lights are violations of federal law or justify a warrantless search.

✓In addition, reports Oklahoma's *McCurtain Daily Gazette*, local residents of another Guard-occupied community complained of helicopters flying too low over poultry houses and terrorizing chickens during their most vulnerable period for smothering, choppers hovering over bathing-suit clad women in swimming pools, guardsmen starting fights with patrons of local nightspots, or picking up local teenage girls in their humvees and harassing local residents driving on logging roads. Some women also claimed that the guardsmen offered them pot in return for sex. Complained one resident, "They parade around and try to entice the little girls into getting into [their] vehicles with them. I've seen them like that at Wal-Mart and Sonic and different places. I think it's pitiful." One guard-driven humvee ran a stop sign, killing two and injuring five. Among the injured were two teenage girls.

✓The Air Force now has 56 lieutenant colonels for every flying command job traditionally manned by a lieutenant colonel. One Pentagon memo pleaded for the brass to "place colonels in meaningful jobs, created by you," adding that "we have a lot of dedicated hard working colonels that need jobs."

✓For more on these developments, see our special report on the militarization of America that appeared in *TPR* March 1996. This special (and disturbing) issue has been attracting interest from the Pentagon to civil rights groups to the militia movement. For a copy send $2.50 to *The Progressive Review*, 1739 Conn. Ave. NW, WDC 20009.

Road Signs

Bottom lines

- Amount the US owes the United Nations: $1.5 billion. Amount of cash the UN currently has on hand: Less than $100 million. [Boutros Boutros-Ghali]
- Cost of a second physical fitness center at the Puget Sound Naval Shipyard: $10 million.
- Cost of a third gold course at Andrews AFB: $5 million.
- Average cost of one kilowatt-hour for residential customers in the US: 9 cents. Average cost for industrial customers: 4.5 cents. [Edison Electric Institute]
- Newsday reports that the Clinton administration has been paying $12,280 for a spare door hook on the C-17

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The Iowa City Declaration on a Shorter Workweek

A conference held at the University of Iowa in March issued a declaration calling on the government to put the legal arrangements in place by the year 2000 "to ensure that a thirty-two hour workweek will become the norm for full-time workers in the first decade of the new millennium." The proposal has been endorsed by Juliet Schor, Eugene McCarthy, Bruce O'Hara, Vicki Robin, Ben Hunnicutt, the Progressive Review *and others. Here is an excerpt:*

Post-industrial society in North America is experiencing a time famine. Yet, while many working people have inadequate time to pursue family, personal, and community life, others have become economically redundant in the continuing waves of corporate downsizing. The maldistribution of work and free time, with attendant inequality of incomes, has created a growing social problem. We believe that this problem may effectively be addressed by a general reduction in working hours.

The forty-hour workweek became the legal standard for U.S. hourly workers in 1940. Labor productivity has increased by many times since then. Increased labor productivity, unless accompanied by shorter hours, tends to displace workers from employment in productive enterprise. The result is higher unemployment or increasing employment in low-wage occupations.

Responsible social policy requires correction of these trends. Responsible employment requires that the jobs allow adequate time for employees to cultivate rich and fulfilling lives outside their work environment. Responsible direction of national economies requires attention to the widening income gap in society. Responsible practice in international trade requires that nations refrain from dumping domestic unemployment on their trading partners by maintaining a schedule of work hours in excess of levels appropriate for their stage of industrial development.

We North Americans, gathered in Iowa City, therefore urge the national governments of Canada and the United States to put in place before the year 2000 the legal arrangements to ensure that a thirty-two hour workweek will become the norm for full-time workers in the first decade of the new millennium.

While a reduced workweek is the focus of this appeal, we recognize that longer vacations, sabbaticals, job-sharing, improved family leave, and other forms of hours reductions or alternative schedules are also desirable objects. In the process of reducing work hours, it is important to protect and enhance the basic wage and benefit structure for workers in advanced economies, including persons employed as part- time, contingent, temporary, or contract workers.

To sign on to this declaration write Shorter Workweek c/o McGaughey, 1702 Glenwood Ave. N, Minneapolis MN 55405

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- Newsday reports that the Clinton administration has been paying $12,280 for a spare door hook on the C-17 cargo jet that originally cost $389.
- Cost overrun on Boston's Third Harbor Tunnel funded 85-90% with federal money: $8 billion
- Amount of money that the Bureau of Indian Affairs spent between 1973 and 1992 but can't figure out how: $2.4 billion, or one out of every seven dollars flowing through tribal trust funds in this period.

Civil liberties

- Number of people the Mississippi Sovereignty Commission spied on during the civil rights era: 87, 000 [Washington Post]
- Percent of motorists stopped by police along a northeastern stretch of I-95 in Maryland who were black: 71% [Washington Post]

Politics

- Percent of Oregan voters who gave voting by mail a favorable rating: 76%. Percent voting in the recent Oregron vote-by-mail election: 66%. [University of Oregon Research Survey Lab]
- Percent of people who said in 1994 that they trust the government to do what is right most of the time or almost always: 22%. Percent who said the same think in 1964: 79%. [Institute for Social Research, University of Mich]

Field notes

Hemp planted on Indian soil: The Navajo Nation has approved the growing of hemp on its soil. Over 30,000 acres have been allocated for hemp cultivation and ten other tribes are interested in following suit. Info: Coalition for Hemp Awareness at 602-988-9355.

Stand for Children: Stand for Children is a mass rally June 1 in Washington endorsed by some 1200 national, state and local organizations. Stand for Children is being convened by the Children's Defense Fund. 1-800-233-1200. **standinfo@mailback.com**

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